GOVERNMENT OF INDIA
COAL
LOK SABHA

UNSTARRED QUESTION NO:5315
ANSWERED ON:06.04.2017
Aligning Domestic Coal Prices with International Rates
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Will the Minister of COAL be pleased to state:

(a) whether the Government favours aligning domestic coal prices with international rates and if so, the details thereof;

(b) whether there has been severe opposition as the stakeholders involved therein don't want markets to determine prices of coal in the country and if so, the details thereof; and

(c) whether the value of India's coal imports touched a high of US$ 17.8 billion in financial year 2015 due to combination of lower international prices and inadequate domestic production and the higher domestic production during financial year 2016 lowered imports to US $ 13.7 billion and if so, the details thereof?

Answer

MINISTER OF STATE (IC) IN THE MINISTRY OF COAL, POWER ,NEW & RENEWABLE ENERGY AND MINES

(SHRI PIYUSH GOYAL)

(a) & (b) Fixing the price of coal is not in the domain of Government. Pricing is an operational decision of Coal India Limited and the Government does not play any role in it.

After complete decontrol of coal prices w.e.f. 01.01.2000, Coal India Limited (CIL) fixes the basic prices of coal produced by CIL and its subsidiary companies. The coal companies fix the coal price based on input costs, inflation index, market trends etc

(c) On account of increased production coal imports have fallen from 217.78 Mte in 2014-15 to 199.88 Mte in 2015-16. The trend of fall in import of coal has continued in 2016-17 wherein for the period April 2016-January 2017, coal imports have reduced by 2.59% as compared to the corresponding period previous year. However, import of coal is not solely dependent on the domestic production of coal. It also depends on other factors like power plant design on imported coal and insufficient availability of coking coal of required grade.

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